



## **CALIFORNIA VETERANS BOARD**

### **MINUTES OF FORMAL HEARING AND SELECT COMMITTEES MEETING #652**

**Friday, December 6, 2002 – 10 A.M and 1 P.M.**

**Veterans Home of California  
Yountville, CA**



#### **OPENING COMMENTS/ INTRODUCTIONS:**

The California Veterans Board (CVB) formal hearing was called to order at 10:00 a.m. California Veterans Board members present included Chairman George Sinopoli (Fresno), Vice Chair Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Leo Burke (Stockton), Judy Gaze (San Diego) and Larry Lattman (California Veterans Home in Yountville). Legal Counsel Joe Maguire and CVB Executive Officer Earl Steck were also present.

Chairman Sinopoli advised the first order of business was a formal hearing for Byron Daugherty, who was appealing denial of admission to the Yountville Veterans Home. Legal Counsel Joe Maguire, explained that Mr. Daugherty would present his case, after which John Jackson, Legal Counsel for the California Department of Veterans Affairs (CDVA), would present the CDVA's case. There would be opportunity for rebuttal, questions and arguments, after which a recommendation would be made on the appeal.

Mr. Daugherty asked Dr. Edward Feldman (Vice Chair of the Board) to be his first witness. In reply to questions from Mr. Daugherty, Dr. Feldman testified that he had spoken with Dr. Kumar Vedanpham about Mr. Daugherty's condition, including his Post-traumatic Stress Disorder (PTSD). He said Dr. Vedanpham had found working with Mr. Daugherty to be challenging and that he suffered from severe depression, a component of PTSD, and insomnia. Dr. Vedanpham made a point of saying it had never been necessary to commit Mr. Daugherty to a care facility and that he had not found him to be hostile. Dr. Vedanpham characterized Mr. Daugherty as being a "sweet" person, a kind and decent man. Dr. Vedanpham also told Dr. Feldman that he treated residents of the Yountville Home for PTSD. He made it clear that he would want to continue to see Mr. Daugherty on a regular basis and would want him in reasonable proximity. It was also brought out that Mr. Daugherty is seeing a psychiatric nurse and actively seeking treatment for his problems.

Mr. Daugherty said this was his third appeal and that he had not previously received adequate explanation of the denial of his application to the Yountville Home. He now has received Mr. Jackson's arguments against his admittance to Yountville.

He cited information from a pamphlet relating to admission to the Yountville Home that said residential care was for applicants who are self-sufficient and able to perform all daily living activities. Minimal supervision is provided by non-nursing staff and residents have access to other levels of care. He said the pamphlet does not specifically exclude people with PTSD or insomnia. He said that the pamphlet actually says care for those with PTSD is available at Yountville. Mr. Daugherty testified about his service during the Vietnam Era that qualifies him for admission to the Veterans Home. He said his service had affected his life in such a way that he is unable to keep a job. Because of an injury from an industrial accident, the State of California considers him to be 100% disabled. Mr. Daugherty said he believed he should be admitted to the Yountville Veterans Home.

John Jackson, Counsel for CDVA, said he had provided members of the Board and Mr. Daugherty with a package that included statutes and regulations that are applicable to the appeal. It also contained the initial application for admission and some medical records. He asked the Board to take judicial notice of the documents and admit them into evidence.

Mr. Jackson said there is no question that Mr. Daugherty's military service qualifies for admission to the Veterans Home. He does not meet the age requirement (age 62), but that can be waived if the applicant is disabled. Mr. Jackson quoted sections of the California Code of Regulations pertaining to admissions to the Veterans Home. Consideration must be given to the Home's ability to meet each veteran's needs. Direct entry is allowed only into the residential community. Higher levels of care are available only after a veteran has been admitted into residential care. Mr. Daugherty was denied admission because the Yountville Home is unable to provide proper care for him within the residential section that would require him to share living space. According to Mr. Daugherty's doctor and the social assessment, he has insomnia that cannot be controlled and prefers dark rooms. He prefers being alone and suffers from a short temper. These are factors that must be considered for entry into a residential community such as the Veterans Home. The latest report available from the doctor is dated June 27, 2002, and indicates that Mr. Daugherty continues to be highly symptomatic and distressed, his sleep problems remain intractable and his depression has worsened. Previous medical assessments refer to lifelong migraines, chronic headaches and major depression with symptoms severe and refractory to treatment. The Yountville Veterans Home is not equipped to provide Mr. Daugherty with the private room he requires to deal with his symptoms and the appeal for admission was properly denied. To do otherwise would be unfair to the other veterans who are residents of the Home and, especially, to the person who would have to share a room with Mr. Daugherty. Mr. Jackson recommended that the Board uphold the denial of admission to the Yountville Veterans Home.

Mr. Daugherty said he understood the concern for the person who would be his roommate, but that he believes he is entitled to entry into the Yountville Home. He said he has nowhere else to go. He has talked with the social worker at the Santa Rosa VA Clinic who had suggested he apply for admission to the Veterans Home and who was surprised that he had been denied admission. He said he has learned to deal with his migraines and was accustomed to living with other people. He has been in boarding school, college and the military service, all of which required him to share quarters. In reply to questions from Dr. Feldman, Mr. Daugherty said he suffers from headaches two to three times a month. He controls them through medication and can usually return to normal after a few hours with medication and lying down. A dark room is not required. Dr. Feldman said his understanding of the situation is that the headaches are under control through medication, there is no absolute requirement for either solitude or darkness, and they are handled without outward, obvious distress. Mr. Daugherty characterized his PTSD as awakening from a flashback in a sweat and being unable to go back to sleep. He does not call out, but may occasionally moan in his sleep.

He ordinarily gets up and goes into another room until he can get back to sleep for a few hours after daylight. In reply to inquiries, Mr. Daugherty said he does not have a short temper. He explained that

the medications he takes cause him to be more relaxed and are manifested in depression rather than temper. He said he had never been in difficulty with law enforcement or the military as a result of temper nor has he had social difficulties because of temper.

Upon questioning by Mr. Jackson, Dr. Lisa Allen of the Yountville Veterans Home explained that it would not be ethical to bring a resident into the Home when the necessary care is not available. That was the reason that Mr. Daugherty's admission and appeal were denied. She said she does not believe that Mr. Daugherty would be a proper fit to the Home environment. She explained that the Home is not staffed to care for people with PTSD, restlessness, sleeplessness, depression and withdrawal. People with these types of symptoms do not fit well into the Home environment. The Home is staffed to be a residential facility—not a hospital or psychiatric care facility. They are not equipped to care for people who are suffering from the medical problems Mr. Daugherty has and it would not be ethical to admit him to the Home under the circumstances. They would like to be able to help every veteran, but they are not equipped to do so.

Dr. Feldman said he believed that there were many veterans in the Homes that were being treated for disorders such as those being experienced by Mr. Daugherty and believes that the Homes should accept veterans whose problems are being handled through medication, which is the case with Mr. Daugherty. There was further discussion between Dr. Allen and Dr. Feldman. Dr. Allen maintained that the Homes are not equipped to handle residents with problems such as PTSD and Dr. Feldman maintained that the Homes should be able to help such people. He said the diagnosis of severe depression should not preclude admission to the Veterans Homes. He said the Homes should find ways to take care of the veterans who need the help.

There was a question and answer period during which members of the Board questioned Mr. Daugherty about his military service, his work history, his current disability status and his needs for medical care.

In his closing statement, Mr. Daugherty said he plans to continue his treatment at the VA clinic with his doctor and psychiatric nurse. He needs to be admitted to the Yountville Home so that he will have a place to live, as he is unable to continue living independently due to his financial situation. His medical problems are under control with medications and he does not believe he would be a disturbance to a roommate because of his insomnia or PTSD.

Mr. Jackson said it was up to the Board to determine if it is in the best interests of Mr. Daugherty to be admitted to the Yountville Home and whether the Home can adequately care for him after admission. According to the medical records that had been submitted, Mr. Daugherty does not appear to be a good candidate for admission. However, it appears that Mr. Daugherty's doctor has provided other information to Dr. Feldman that indicates otherwise. The policy has been to turn down for admittance to the Homes people with psychiatric problems such as are reported in Mr. Daugherty's medical records. Mr. Jackson said the Board should also consider the people with whom Mr. Daugherty would be sharing living quarters.

The Board adjourned at 11:30 a.m. to take the appeal under consideration.

The Board reconvened at 1:00 p.m. Chairman Sinopoli asked Executive Officer Earl Steck to read the findings of the Board.

Mr. Steck read the proposed motion of the Board to reverse the decision of the California Department of Veterans Affairs denying Mr. Bryon Daugherty admission to the California Veterans Home at Yountville. The Board will take formal action to allow his admittance at its meeting on Saturday.

#### **SELECT COMMITTEES REPORTS AND UNFINISHED BUSINESS:**

**Annual Report – Jerry Basconcillo, Chair:** Mr. Basconcillo explained to the audience that the California Veterans Board Annual Report to the State Legislature reports its activities, accomplishments and expenditures. The latest was submitted to the Governor's Office for approval on September 13, 2002, and has now been approved for distribution.

**Contract Review - Jerry Basconcillo, Chair:** No contracts for review at this time.

**Veterans Services – Jerry Basconcillo, Chair:** Mr. Basconcillo said a report would be given at the formal meeting on Saturday.

**Legislation – Leo Burke, Chair:** Mr. Burke said the Legislature is back in Sacramento working on the budget. There is no veterans' legislation on which to report at this time.

**Veterans Homes - Larry Lattman, Chair:** Mr. Lattman said he would report on Saturday.

**Farm and Home - Judy Gaze, Chair:** Ms. Gaze said she was pleased to report that the Cal-Vet loan program was able to lower interest rates for new loans. The lowest rate is now 4.99% available to war veterans with service prior to January 1, 1977, who have been released from active duty for fewer than 30 years. Additionally, the maximum Cal-Vet home loan has been increased to \$322,000 effective January 1 2003. These changes will be of assistance to younger veterans moving into the housing market, as well as those veterans who may be moving up to a larger home or who are purchasing in a more expensive area of the State.

A member of the audience asked about existing Cal-Vet loans and whether they can be refinanced at the lower rates. George Flores, Chief of the Farm and Home Loan Program, explained that federal laws prohibit refinancing with tax-exempt bond funds. The new lower interest rates are available only on new loans because they apply to limited amounts of bond funds that recently became available for lending.

**Appeals – George Sinopoli, Chair:** Chairman Sinopoli asked for reports on appeals.

Board Member Feldman reported on an appeal by John J. Griffin from denial of admission to the Veterans Home at Yountville. Mr. Griffin had requested a review of the record, but had later withdrawn his appeal. He has now requested that the appeal be reconsidered. Dr. Feldman will report after he has completed his review.

Board Member Burke reported on an appeal by Ernest H. Snarr from denial of admission to the Veterans Home at Yountville. Mr. Snarr requested an informal review. Mr. Burke said his review has been completed and a motion on the appeal will be made at the formal meeting on Saturday.

**Recognitions and Awards – George Sinopoli, Chair:** This subject will be covered during the formal meeting on Saturday.

**Policy and Procedures – Edward Feldman, Chair:** Dr. Feldman said a number of proposed policies had been provided to Board Members for their consideration. He reported the Board now had an independent counsel who is Diana Cuomo who is an Assistant Attorney General. She will represent the Board's interest. He asked that the Board review the proposed changes in policy and they will be reviewed by the independent counsel for proper format and to ensure no conflicts with either state or federal laws. Board Member Burke read a proposed policy into the record as follows:

Subject: Pending Legislation and Litigation, reference Policy number A-5.

Purpose: To keep the Board apprised of litigation involving the Department of Veterans Affairs or the Board, and to review pending veterans' legislation and adopt official Board positions on legislation as appropriate.

Policy: It shall be the policy of the Board to be apprised of significant litigation involving the Department or the Board. It shall also be the policy of the Board to establish, through a majority vote of the Board, official Board positions on pending state and federal legislation affecting veterans, as the Board deems appropriate. Board positions shall be independent determinations of the Board, but whenever possible, they shall be supportive of, and consistent with, the Governor's policy objectives.

1. The Secretary of the Department shall insure that the Board is provided information on significant litigation to which the Department or the Board is a party.
2. The Board chairperson shall appoint a Legislative Committee, whose role shall be to review pending state and federal legislation affecting veterans and to make position recommendations to the Board, as appropriate.

Chairman Sinopoli asked Mr. Maguire for any comments. Mr. Maguire said it is a sound policy. Each month, the Law Division sends a significant matters report to the Governor's Office. The report can be provided to the Board for their information. It should satisfy this policy.

Board Member Gaze said she had submitted a number of changes to the Board policies regarding Farm and Home Purchases Division. Changes are proposed in methods for determining Cal-Vet interest rates to ensure policies are compatible with current laws. A policy is proposed for an annual business plan for the Cal-Vet loan program. Another policy, now numbered B-9, is comprehensive, covering how the interest rate is to be set on each set of contracts depending upon the bonds used to fund the contracts. She asked that Board Members look them over and be prepared to vote on their adoption at the meeting on Saturday.

## **NEW BUSINESS**

Chairman Sinopoli recognized Holly Van Houten, Executive Director, Bay Area Ridge Trail Council (BARTC), a non-profit organization headquartered in San Francisco. She discussed a proposal for a trail through Veterans Home land. The Bay Area Ridge Trail has been in existence for about 30 years and the organization has been in existence for 15 years. Their vision is for a 400-mile trail. The present proposal is for a new section of the trail in Napa County over land owned by CDVA. She said the trail is supported by the cities of Napa, American Canyon, Calistoga and Yountville and has political support from Senator Chesbro and Assembly Member Wiggins. She said they have worked with the administration of the Yountville Home in the past and have a good relationship with the Allied Council. They want to create a 6-mile section of trail by Rector Reservoir on land that is owned by CDVA for the Yountville Home. They are requesting support and approval from the Veterans Board so they can move forward with their plans.

According to Ms. Van Houten, they are now asking only to approval for a 6-mile section of trail by Rector Reservoir. The question was raised regarding their plans to extend the trail through more of the Yountville Home property. The Rector Reservoir section would involve expenditure of about \$600,000. There was concern as to whether approval of one section of the trail would make it difficult for the CDVA in the future to protect the Yountville Home land. According to Ms. Van Houten, each area of the trail may be used independently. There were a number of questions from Board Members regarding the BARTC's working relationship with people from the CDVA. So far, there have been no agreements between the CDVA and BARTC and the relationship between the two appeared to have been misrepresented. Mr. Maguire expressed concern about the compatibility of uses of the trail with the peace and tranquility of the Yountville Home environment and how such uses might impact the safety of elderly veterans. There were questions and discussion regarding the liability of the Yountville Home. Several residents of the Yountville Home expressed their concerns regarding safety and concerns about Veterans Home land being taken from veterans for other uses.

Chairman Sinopoli recognized Jane Wegner whose son died at Holderman Hospital. She said her son had been in the hospital for two days before she was notified. Had she known of his illness, she said she would have been with him because she was aware of the nursing shortage. She believes she might have been able to prevent his death. Ms. Wegner also reported that her son had been taken to Queen of the Valley Hospital and she had not been notified. Her son was left to find his own way back to the Yountville Home by taxi. Ms. Wegner said her son was happy at the Home, but she does not believe that proper care was given him in these instances.

#### **Update on Life and Disability Insurance Program**

George Flores, Chief of the Farm and Home Purchases Division, reported that the new life and disability insurance contract was going through final review in the Law Division and will be in place on February 1, 2003. The Standard Company is testing the data to ensure proper operation. Ms. Gaze asked Mr. Flores to report on the website for processing Cal-Vet loans on line. Mr. Flores said it should be in place within a few weeks and will be extended to customer service in the future.

Chairman Sinopoli adjourned the meeting at 3:00 p.m.

**CALIFORNIA VETERANS BOARD**  
**MINUTES OF GENERAL SESSION #652**  
**Saturday, December 7, 2002 – 9:00 AM**  
Veterans Home of California  
Yountville, California

**GENERAL SESSION:**

The California Veterans Board (CVB) monthly public meeting was called to order at 9:00 AM. Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Leo Burke (Stockton), Judy Gaze (San Diego) and Larry Lattman (California Veterans Home in Yountville).

Rev. Elmer Pine led the invocation. Gordon Thompson led the Pledge of Allegiance.

Chairman Sinopoli introduced the members of the Board; Joe Maguire, Legal Counsel to the Board; and CVB Executive Officer Earl Steck.

Acting Secretary John Hanretty explained that Undersecretary Tom Kraus was unable to attend today because of business at the Veterans Home in Barstow. He introduced George Flores, Chief of the Farm and Home Purchases Division, and Ron Brand, Chief of the Marketing Unit for CDVA.

The audience introduced themselves.

**MOTION** passed to approve minutes from the CVB meetings of November 15 and 16, 2002.

Chairman Sinopoli welcomed everyone and thanked them for attending. He said the Board had an informal meeting on Friday, at which members of the audience are invited to speak at any time. At this formal meeting, comments by the audience will be at the end of the meeting and are limited to three minutes each.

**REPORT FROM BOARD MEMBERS ON ACTIVITIES FOR SEPTEMBER:**

**Member Jerry Basconcillo** reported attending the Board meeting in Clovis and was very active in veteran's issues in his local area of Delano.

**Member Larry Lattman** reported attending the Board meeting in Clovis, had a wonderful stay in Holderman Hospital for a couple days and then took a vacation to visit his family for Thanksgiving.

**Member Leo Burke** reported visiting the Yountville Home in November and thanked Larry Lattman for his assistance. He also attended the Board meeting in Clovis and spent some time in Riverside.

**Member Judy Gaze** visited the Yountville Home, attending the meeting in Clovis and then took some vacation time.

**Member Ed Feldman** attended Veterans' Day activities at Forest Lawn Cemetery, attended ceremonies for the Marine Corps birthday on November 10, attended the Clovis meeting and conducted interviews on appeals to the Board.

He also attended a presentation by USMC General Davis, the most highly decorated veteran alive, about his trip to North Korea and his anticipation of the events that might take place in Iraq.

**Chairman Sinopoli** reported he attended a meeting of veterans' groups in Hanford, had a meeting with a member of the Fresno County Board of Supervisors to discuss location for a veterans' home in Fresno County, attended a reception for former Secretary Bruce Thiesen, visited the veterans' cemetery in Santa Nella to present a proclamation of Governor Davis, made a presentation at an American Legion Post regarding benefits available to veterans in California, met with the President of Fresno State College regarding location of a veterans' home and attended the Board meeting in Clovis.

## **REPORTS:**

**(Status of CDVA Division / Select Cal Vet Board (CVB) Committees / Special)**

### **VETERANS HOMES OF CALIFORNIA, CDVA DIVISION:**

**Yountville Veterans Home:** Marcella M. McCormack, Administrator, reported the census of the Home is 1,086. She reported the Annual Holiday Volunteer Potluck Luncheon would be held in Grant Hall of December 10; the Residential Care Holiday Party will be on Thursday, December 12, in Grant Hall; The American Legion will host a Holiday Party for Veterans Home residents on Sunday, December 15, in Annex II; the DAV will host a Holiday Party for Veterans Home residents on Sunday, December 15, in Grant Hall; and the Veterans Home New Years Eve Party will be Tuesday, December 31, from 6 to 9 p.m. in Grant Hall.

Chairman Sinopoli presented Ms. McCormack with a Proclamation from Governor Davis recognizing Pearl Harbor Remembrance Day. Ms. McCormack accepted on behalf of all the veterans in the Yountville Home, particularly the World War II veterans.

**Barstow Veterans Home:** A written report was submitted. The current census is 260 residents and 44 new applications have been requested. Members of Better Opportunities for Single Soldiers & Single Marine Association visited with the residents and joined them for Thanksgiving dinner on November 28. On November 29, Dr. Mitchell Gold, CMO, in the Dorothy Kohlars Chapel, conducted a Hanukkah service.

**Chula Vista Veterans Home:** A written report was submitted. Current census is 253 residents. The licensed beds in the Skilled Nursing Facility have been increased to 60 and will be incrementally increased to 120 beds by the end of the fiscal year based on recent approval to hire staff. The Chula Vista Home is certified to bill both Medicare and Medi-Cal. On-duty personnel number 170. Recruitment of nurses and pharmacists continues to be difficult. There are pharmacy contracts with Sharp Hospital and Belville Pharmacy.

**VETERANS HOMES CALIFORNIA, CVB Committee, Larry Lattman.** Mr. Lattman said Home members are anxiously awaiting plans to address the budget shortfall. He reported that Undersecretary Kraus and Inspector General Jerry Hansen were in Barstow to address problems in connection with the policy on smoking. The weather had prevented Mr. Lattman from traveling to Barstow as he had planned.

**FARM AND HOME PURCHASES, CDVA DIVISION – George Flores, Chief** - The Farm and Home Division has been working with the Legal Division regarding the required coverage to be included in the Disaster Indemnity contract with will soon be renewed. The new policies covering losses due to earthquake and flood will go into effect on February 28, 2003.



He reported that Kandis Mendonsa, Chief of the Bond Division, had asked him to report to the Board that the request for proposals had gone out regarding management of bond funds and only one bid had been received from CFX. Mr. Flores said the transition to the new Life and Disability Insurance coverage is progressing smoothly and will be in place on February 1, 2003.

**FARM AND HOME PURCHASES, CVB Committee, Judy Gaze:** Ms. Gaze reported the CDVA Interest Rate Committee, comprised of herself; the Division Chiefs of Farm and Home and Bond Finance, CDVA; and the Field Operations Manager, Headquarters Operations Manager and Loan Processing/Escrow Manager, Farm and Home Purchases, met on November 26 and determined interest rates for new Cal-Vet loans. The rates are 4.99% for QVMB bonds, 5.25% for QMB bonds and 5.4% for unrestricted funds. Unrestricted funds and QVMB bonds require war service and QMB bonds have other federal restrictions. As reported on Friday, the new maximum home loan available on January 1, 2003, will be \$322,700.

**VETERANS SERVICES DIVISION – Glen Halsey, Chief** - Mr. Halsey was not present.

**VETERANS SERVICES, CVB Committee, Veterans Services, Jerry Basconcillo:** Mr. Basconcillo said a comprehensive report on Veterans Services would be available in early 2003.

**POLICY AND PROCEDURES, CVB Committee, Edward Feldman:** Dr. Feldman reported an agreement had been reached between the Board and the Office of the Attorney General and the Board now has an independent counsel to assist them. He said this was no reflection on the ability of the CDVA Legal Division, but that independent counsel was necessary in some instances to ensure no conflict of interest since the Board must act independently of CDVA.

**MOTION** passed unanimously to incorporate all policies discussed by Board members into the Policy Book pending review by the independent counsel to ensure compliance with state and federal laws and regulations.

Chairman Sinopoli asked Board Member Burke to read the proposed policy, numbered A-5, regarding pending legislation and litigation. [Please see full text of policy in minutes for December 6.]

**MOTION** passed unanimously to adopt policy A-5.

Dr. Feldman proposed a change to policy C-7 as follows:

Purpose: Any and all plans and/or proposals for utilization of land and/or facilities shall be approved and coordinated with the California Veterans Board prior to any action and authority for final disposition.

**MOTION** passed unanimously to change language in policy numbered C-7. To reflect:  
Any and all plans and proposals for utilization of land and or facilities shall be approved and coordinated with the California Veterans Board prior to any action and authority for final disposition.

**CONTRACT MANAGEMENT, CDVA – John Hanretty, Chief, Finance Division** – Mr. Hanretty reported on the bid for pharmacy services at the Veterans Homes in Barstow and Chula Vista. It is not yet ready for presentation to the Board.

There has been difficulty in recruitment because of the shortage of pharmacists and because of Barstow's remote location and Chula Vista's high-cost location. There is an emergency contract for the service that went into effect on December 1.

A request has been filed with Department of Finance and the State Personnel Board to provide a recruitment and retention bonus and CDVA is awaiting approval before going ahead with the bid procedure.

**CONTRACT MANAGEMENT, CVB Committee, Jerry Basconcillo.** Mr. Basconcillo thanked Mr. Hanretty for his work in trying to recruit pharmacy services and said a report would be provided to the Board at its next meeting.

**LEGISLATIVE AFFAIRS, CDVA – Jerry Jones,** Chief of Legislative and Public Affairs, was not in attendance.

**LEGISLATIVE AFFAIRS, CVB Committee, Leo Burke.** Mr. Burke commented that Governor Davis and members of the Legislature were working on the budget problems. Any new legislation will not be introduced until January 2003.

**ANNUAL REPORT, CVB Committee, Jerry Basconcillo:** Mr. Basconcillo reported that the 2001-2002 Annual Report was being distributed and is on the Board's website. His Committee was beginning work on the 2002-2003 report.

**RECOGNITION AND AWARDS, CVB Committee, George Sinopoli:** Chairman Sinopoli said there were a number of residents at the Yountville Home that are Pearl Harbor survivors. He asked Board Member Larry Lattman to provide their names so that they will be recognized with Certificates of Commendation from the Board. He explained the Board recognizes extraordinary service to veterans and asked anyone who knows of people who should be recognized to contact the Board.

**APPEALS, CVB Committee, George Sinopoli:**

Board Member Feldman reported that the formal hearing on the appeal of Bryon Daugherty, from denial of admission to the Veterans Home at Yountville, had been heard on Friday, December 6. The Board had determined that the appeal should be granted with some provisions.

**MOTION** passed unanimously to reverse the decision of the California Department of Veterans Affairs denying Mr. Bryon Daugherty admission to the California Veterans Home at Yountville. The Board has determined that Mr. Daugherty should be admitted to the Home for a provisional period of 90 days, after which time the case will be evaluated for residency or discharge. During the provisional period, Board Member Edward Feldman will monitor Mr. Daugherty's progress and report to the Board. The Board also recommends that Mr. Daugherty contact the County Veterans Service Officer for assistance in reevaluation of his VA disability rating.

The appeal of John J. Griffin from denial of admission to the Yountville Home has been reopened and Dr. Feldman will follow up and report at the Board meeting in February.

Board Member Leo Burke reported on the appeal of Ernest Snarr from denial of admission to the Veterans Home at Yountville. Mr. Snarr had requested an informal hearing.

Mr. Burke investigation of the matter revealed that Mr. Snarr suffers from bipolar disorder, also known as manic-depressive illness. He was denied admission to the Yountville Home because they do not have the staff nor the facilities to provide the proper psychological treatment for Mr. Snarr. Mr. Snarr has been referred to the federal facility in White City, Oregon, that does have the facilities for treating bipolar disorder.

**MOTION** passed unanimously to uphold the denial of admission of Ernest H. Snarr to the California Veterans Home at Yountville because the Home is not staffed to provide the care needed for Mr. Snarr's condition.

**LEGAL DIVISION, Joseph Maguire, Deputy Secretary/Chief Counsel:** Mr. Maguire reported the current caseload in the Law Division includes 14 personnel actions, 8 bankruptcies, 2 Board of Control claims, 4 citations, 34 civil litigations, 4 contract reviews, 2 EEOC claims, 5 insurance cases, 24 requests for legal opinions, 1 quiet title action, 14 unlawful detainers and 22 miscellaneous cases for a total of 134 cases.

The more significant issues include the Carter appeal where the CDVA has a judgment against it in the amount of \$579,000. CDVA believes the judgment to be incorrect in the third party liability case involving one of the veterans' homes. It involves an employee who sued because of the actions of a resident. A recent case, Salazar v. Paratransit, is very similar. A passenger on a bus was harassing a bus driver. The Court of Appeals ruled there is no third-party liability. Mr. Maguire is fairly confident that the CDVA will prevail in its appeal. There continue to be Northridge earthquake cases because of the actions of former Commissioner Quackenbush. The Law Division is working on the Bay Area Ridge Trail proposal that is on the Board's agenda today. The Board heard a presentation by the Bay Area Ridge Trail Council at its meeting on Friday. It involves encroachment on the property of the Yountville Veterans Home. There is a third-party liability case involving the General Adjusting Bureau that contracts with Cal-Vet to provide adjusting services on insurance losses. A Cal-Vet loan holder is suing the adjusters and the case should go to trial within the next two months. Mr. Maguire reported he hopes to have the Debbs case dismissed in January 2003. The CDVA believes it is a frivolous suit. The Law Division recently completed work on the new Disaster Indemnity contract that will become effective February 28, 2003. A public hearing has been scheduled on January 8, 2003, in Sacramento, regarding regulations for educational benefits. The Law Division is also drafting a Code of Professional Conduct for the staffs at the Veterans Homes.

**MARKETING – Ron Brand** – Mr. Brand said his office was now handling the veterans' license plate program. He explained that the money for veterans' license plates helped to support the County Veterans Service Offices. The Veterans Home Commission is continuing to search for sites for the proposed new homes in Redding and Fresno County. The site that had been available in Redding has proven not to have the infrastructure required for a facility such as a veterans' home. He said progress is being made. Ms. Gaze asked about the federal legislation to amend the Tax Reform Act so that veterans with service after January 1, 1977, will be eligible for Cal-Vet loans using general obligation bonds. Mr. Brand said the CDVA and four other states are working very hard with the U.S. Congress to try to get such legislation passed. He said veterans should continue to show their support by writing to their congressional representatives.

**INSPECTOR GENERAL, Jerry Hansen:** Mr. Hansen reported that he had just returned from visiting veteran's homes in southern California. He said the California Department of Health Services and the U.S.D.V.A schedule the Barstow Home for recertification.

There have been some problems with the smoking policy at the Barstow Home and the administration is seeking a policy that can be supported by all concerned. The policy was recently changed because of noncompliance issues. The Chula Vista Home is scheduled to be licensed for an increased number of beds in the Skilled Nursing Unit.

Mr. Hansen said his office had completed the Information Security Internal Audit and copies have been provided to each Board Member.

Recommended improvements in security are being implemented. He reported the CDVA had exceeded its contracting goals with Disabled Veterans Business Enterprises. The CDVA is working with other state agencies to improve their participation. He provided a review of some of the ongoing audits being performed by his office.

**SECRETARY'S COMMENTS:** John Hanretty reported for the Acting Secretary of Veterans Affairs. He discussed the State budget shortfall. The report is for a \$30 billion deficit. Governor Davis has called for \$10 billion in cuts in programs and services for the current fiscal year (a six-month period). CDVA has found about \$500,000 in travel and training funds that can be cut. The administration is assessing all other options for savings. Only mandatory training, such as continuing medical education and accountancy competency, will be authorized. The drastic cuts will not affect the Veterans Homes. Governor Davis has pledged to continue services to veterans. However, CDVA is going through budget-cutting exercises to determine where savings can be made. There are still questions regarding the future of Holderman Hospital. This involves audits by the Department of Finance and Bureau of State Audits. CDVA is waiting for the finalization of the audits before making a recommendation to the Governor. The major initiatives for CDVA are the planning for new veterans homes, management of the Cal-Vet interest rates, and the DVBE outreach and statewide representation. Over the next six months, CDVA will be setting up a task force on policy and procedures. This is important in connection with the veterans' homes to ensure efficiencies, particularly with five new homes to be built. All data systems are also under review to ensure the most up-to-date technology at the best cost. The CDVA will continue to spend money to provide services to veterans, but it is important to spend the money wisely. Another major issue is the unreimbursed costs of care at the veterans' homes. New legislation, SB 1281 by Senator Haynes, requires CDVA to provide every resident of a veterans' home with a written notice of the costs of care that may be incurred in excess of the member contribution fee at time of admission and to provide a quarterly statement or accounting of all charges for the costs of care in excess of the member fee. All the veterans' homes will have the same system in place and the same definition of unreimbursed costs of care. Public hearings will be held on the proposed regulations, with opportunity for input into what should be included.

Mr. Hanretty reported the former Secretary Bruce Thiesen would report back to the CDVA on December 9 as Deputy Secretary for Farm and Home Operations.

Mr. Hanretty reviewed the ongoing audits of CDVA. Most of the audits are internal controls. Others are initiated by the Legislature and oversight agencies such as Department of Finance. The one-year analysis of managing cash flow and reimbursement for the veterans' homes has just been completed and will become public in February after the Bureau of State Audits releases its report to the Legislature. Action has been taken on most of the recommendations and comments. CDVA has come a long way in identifying corrective action in collections and putting management tools in place. Senate Bill 1858 by Senator Knight requires CDVA to conduct its own internal audits, rather than to have the Inspector General conduct the audits. CDVA is working with the Inspector General and has asked for a legal interpretation of the new law.

A letter of intent from Senator Knight makes it clear that the CDVA should conduct its own internal audits and make them available to the Inspector General. This has required some reorganization to ensure autonomy for the internal auditors. The CDVA report on the Veterans' Homes has been sent to the Department of Finance and should be available shortly.

Board Members Feldman asked how quickly a contract could be finalized to obtain the services of a physician at Yountville.

Mr. Hanretty replied that physicians are exempt from the bid process so it would only depend on the amount of the contract. If the contract is in excess of \$50,000, it must be approved by the Department of General Services. If all justification is received with the request for a contract with a physician, it can be approved in about one week.

**PUBLIC COMMENT – THREE MINUTE LIMIT:**

(Board Policy Prohibits Response from Board Members)

Olga Chanda said she is a five-year resident at Yountville and the survivor of many medical miracles. She said Yountville is an excellent facility if one can care for oneself. Her issue is to get dignity for World War II women veterans. Ms. Chanda alleges that women veterans are not treated with the respect shown to the men at the Yountville Home. She has raised the issue with the administration, but does not feel that it has been addressed in a satisfactory manner.

Dee Swanhuysen, Bay Area Ridge Trail Council, thanked the Board for the opportunity to make a presentation at the meeting on Friday. She said she hopes to continue discussion with the Board and CDVA about the proposal to put trail segments on Yountville property.

**NEW BUSINESS:**

**Bay Area Ridge Trail:** Chairman Sinopoli asked Board Member Feldman for his report. Dr. Feldman said he had met informally with other members of the Board and had reviewed the information provided by the Bay Area Ridge Trail Council. Dr. Feldman said he could find no benefit to veterans or to CDVA by moving forward with the proposal for trail segments on Yountville Home land. He said the trail is a worthy cause, but should not infringe upon the peace and tranquility of the Yountville Home. He said the Board should not have any further interest in the matter at this time. A motion was made and passed with one abstention. A short time later, it was decided to take a recess and formalize the language of the motion. Upon further review, the following action was taken:

**MOTION** passed unanimously to withdraw the previous motion relating to the Bay Area Ridge Trail.

Executive Officer Steck read the following motion into the record:

In accordance with the California Veterans Board Policy No. C-7, the California Veterans Board will not allow Bay Area Ridge Trail Council to build or cause to be built a trail on the California Department of Veterans Affairs' land. **MOTION** passed unanimously.

**Veterans Debenture Revenue Fund & Farm and Home Building Fund Reports:** Mr. Hanretty said the reports had been provided to the Board. He said he would be pleased to answer any questions after the Board had reviewed them.

**FUTURE MEETING DATES AND LOCATIONS:**

All meetings take place on Friday and Saturday unless notified.

Chairman Sinopoli said there would be no meeting in January 2003. The next meeting of the Board will be on February 7 and 8, and notice will be provided ten days in advance of the meeting.

There was discussion regarding locations for meetings for the first six months of 2003. Board Member Gaze said attendance at meetings held at locations other than the Veterans Homes was very low and the costs of meetings held outside of Sacramento are very high. She proposed saving per diem and travel costs by reviewing the meeting schedule. Board Member Feldman agreed that meetings in Sacramento would be more productive for staff. He said that veterans are interested in what the Board does, but it does not appear they support meetings in more remote locations by their attendance. Board Member Burke said that Board Members report back to the veteran community through attendance at conventions of the veterans' organizations. Mr. Hanretty said the CDVA would not be able to send full representation to meetings held outside Sacramento because of the budget problems and the cuts in travel expenditures. Chairman Sinopoli said he appreciated the budget problems, but believes the Board should meet with veterans throughout the State and that the veterans needed a method to communicate with the California Veterans Board.

Yearly schedule is posted on web site: [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)

**CLOSING REMARKS:****CLOSED SESSION** (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 11:00 a.m.
- These minutes are only a summary of the proceeding and are not reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)
- Email address for the California Veterans Board is "CalVetBoard@cdva.ca.gov"

**ADJOURNED**